SAUDI INDUSTRIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE-MONTH PERIOD ENDED
31 MARCH 2020

SAUDI INDUSTRIAL SERVICES COMPANY
(A SAUDI JOINT STOCK COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the three-month period ended 31 March 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the shareholders
Saudi Industrial Services Company
(A Saudi Joint Stock Company)

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Saudi Industrial Services Company ("the Company") and its subsidiaries (collectively referred to as "the Group") as at 31 March 2020, and the related interim condensed consolidated statements of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and cash flows for the three-month period then ended and the explanatory notes which form an integral part of these interim condensed consolidated financial statements. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34. "Interim Financial Reporting" (IAS 34) as endorsed in the Kingdom of Saudi Arabia. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"* that are endorsed in the Kingdom of Saudi Arabia. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34, as endorsed in the Kingdom of Saudi Arabia.

for Ernst & Young

Ahmed I. Reda
Certified Public Accountant
License No. 356

17 May 2020
24 Ramadan 1441H
Jeddah

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month period ended 31 March 2020

	Note	***31 March 2020 Unaudited SR***	*31 March 2019 Unaudited SR*
Revenues	5	**167,291,642**	166,514,804
Direct costs		**(114,119,505)**	(93,843,608)
GROSS PROFIT		**53,172,137**	72,671,196
OPERATING EXPENSES			
Selling and distribution expenses		**(3,792,234)**	(4,243,221)
General and administrative expenses		**(35,970,728)**	(35,118,792)
TOTAL OPERATING EXPENSES		**(39,762,962)**	(39,362,013)
OPERATING INCOME		**13,409,175**	33,309,183
Finance income	15 (c)	**32,043,259**	-
Finance cost		**(11,582,712)**	(10,144,507)
Other income		**6,840,942**	1,032,768
Share of results of associates, net	10	**3,731,053**	4,979,558
PROFIT BEFORE ZAKAT AND INCOME TAX		**44,441,717**	29,177,002
Zakat and income tax	17	**(2,311,250)**	(2,954,387)
NET PROFIT FOR THE PERIOD		**42,130,467**	26,222,615
Attributable to:			
Shareholders of the Parent Company		**26,600,928**	16,899,845
Non-controlling interests		**15,529,539**	9,322,770
NET PROFIT FOR THE PERIOD		**42,130,467**	26,222,615
Earnings per share			
Basic and diluted earnings per share from net profit for the period attributable to the shareholders of the Parent	6	**0.33**	0.21

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

	Note	***31 March 2020 Unaudited SR***	*31 March 2019 Unaudited SR*
Net profit for the period		**42,130,467**	26,222,615
OTHER COMPREHENSIVE INCOME			
Items that can be reclassified to consolidated statement of profit or loss in subsequent periods			
Cash flow hedges – effective portion of changes in fair value		**(5,784,867)**	(5,165,085)
OTHER COMPREHENSIVE LOSS FOR THE PERIOD		**(5,784,867)**	(5,165,085)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**36,345,600**	21,057,530
Attributable to:			
Shareholders of the Parent Company		**23,095,299**	13,769,801
Non-controlling interests		**13,250,301**	7,287,729
		36,345,600	21,057,530

For the three-month period ended 31 March 2020

	Notes	***31 March 2020 Unaudited SR***	*31 December 2019 Audited SR*
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	**900,240,692**	874,419,937
Intangible assets	8	**1,053,968,944**	1,070,384,638
Investment properties		**135,424,453**	133,781,349
Investment in associates	10	**131,152,358**	132,421,768
Financial assets at FVOCI	11	**15,538,283**	15,538,283
Right-to-use assets	12	**91,873,296**	241,825,240
Deferred taxation		**4,407,665**	4,407,665
Goodwill	9	**8,776,760**	8,776,760
TOTAL NON-CURRENT ASSETS		**2,341,382,451**	2,481,555,640
CURRENT ASSETS			
Inventories, net		**18,728,111**	18,171,701
Trade receivables, prepayments and other receivables		**114,278,850**	100,088,944
Due from related parties	18	**12,785,131**	11,185,041
Cash and cash equivalents	13	**292,111,311**	295,100,801
TOTAL CURRENT ASSETS		**437,903,403**	424,546,487
TOTAL ASSETS		**2,779,285,854**	2,906,102,127
EQUITY AND LIABILITIES			
EQUITY			
Share capital	14	**816,000,000**	816,000,000
Share premium		**36,409,063**	36,409,063
Statutory reserve		**76,382,784**	76,382,784
Other components of equity		**(13,022,477)**	(9,516,848)
Retained earnings		**198,419,070**	171,818,142
Equity attributable to the shareholders of the Parent		**1,114,188,440**	1,091,093,141
Non-controlling interests		**505,156,534**	499,942,039
TOTAL EQUITY		**1,619,344,974**	1,591,035,180
NON-CURRENT LIABILITIES			
Long term loans and bank facilities	15	**680,929,674**	540,389,501
Employees' end-of-service benefits		**38,644,463**	39,470,059
Long term provisions	16	**77,090,700**	74,537,556
Lease liabilities	12	**83,913,912**	217,085,900
Derivative financial instrument	15	**18,888,522**	13,103,655
TOTAL-NON-CURRENT LIABILITIES		**899,467,271**	884,586,671
CURRENT LIABILITIES			
Current portion of long-term loans and bank facilities	15	**69,003,748**	240,711,549
Trade payables accrued and other current liabilities		**178,984,402**	158,857,771
Due to related parties	18	**1,243,306**	980,418
Current portion lease liability	12	**11,242,153**	29,930,538
TOTAL CURRENT LIABILITIES		**260,473,609**	430,480,276
TOTAL LIABILITIES		**1,159,940,880**	1,315,066,947
TOTAL EQUITY AND LIABILITIES		**2,779,285,854**	2,906,102,127

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

SAUDI INDUSTRIAL SERVICES COMPANY
(A Saudi Joint Stock Company)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the three-month period ended 31 March 2020

	Equity attributable to the shareholders of the Parent										
				--------------Other components of equity-------------							
	Share Capital SR	***Share Premium SR***	***Statutory Reserve SR***	***Effect of changes in shareholding percentage in subsidiaries SR***	***Actuarial valuation reserves SR***	***Cash flow hedging reserve SR***	***Fair value reserve on financial assets at FVOCI SR***	***Retained Earnings SR***	***Total SR***	***Non-controlling interests SR***	***Total equity SR***
Balance at 1 January 2020	816,000,000	36,409,063	76,382,784	1,133,474	(8,677,640)	(7,940,815)	5,968,133	171,818,142	1,091,093,141	499,942,039	1,591,035,180
Profit for the period	-	-	-	-	-	-	-	26,600,928	26,600,928	15,529,539	42,130,467
Other comprehensive loss	-	-	-	-	-	(3,505,629)	-	-	(3,505,629)	(2,279,238)	(5,784,867)
Total comprehensive income	-	-	-	-	-	(3,505,629)	-	26,600,928	23,095,299	13,250,301	36,345,600
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	(7,828,819)	(7,828,819)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	(206,987)	(206,987)
Balance at 31 March 2020	**816,000,000**	**36,409,063**	**76,382,784**	**1,133,474**	**(8,677,640)**	**(11,446,444)**	**5,968,133**	**198,419,070**	**1,114,188,440**	**505,156,534**	**1,619,344,974**

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

	Equity attributable to the shareholders' of the Parent										
				--------------*Other components of equity*-------------							
	Share Capital SR	*Share Premium SR*	*Statutory Reserve SR*	*Effect of changes in shareholding percentage in subsidiaries SR*	*Actuarial valuation reserves SR*	*Cash flow hedging reserve SR*	*Fair value reserve on financial assets at FVOCI SR*	*Retained Earnings SR*	*Total SR*	*Non-controlling interests SR*	*Total equity SR*
Balance at 1 January 2019	816,000,000	36,409,063	71,290,485	1,133,474	(805,878)	(2,750,012)	8,329,747	158,627,451	1,088,234,330	483,198,445	1,571,432,775
Profit for the period	-	-	-	-	-	-	-	16,899,845	16,899,845	9,322,770	26,222,615
Other comprehensive loss	-	-	-	-	-	(3,130,044)	-	-	(3,130,044)	(2,035,041)	(5,165,085)
Total comprehensive income	-	-	-	-	-	(3,130,044)	-	16,899,845	13,769,801	7,287,729	21,057,530
Dividend paid to NCI	-	-	-	-	-	-	-	-	-	(1,680,000)	(1,680,000)
Net movement in non-controlling interest	-	-	-	-	-	-	-	-	-	1,309,724	1,309,724
Balance at 31 March 2019	816,000,000	36,409,063	71,290,485	1,133,474	(805,878)	(5,880,056)	8,329,747	175,527,296	1,102,004,131	490,115,898	1,592,120,029

	Notes	***31 March 2020 Unaudited SR***	*31 March 2019 Unaudited SR*
OPERATING ACTIVITIES			
Profit for the period before zakat and income tax		**44,441,717**	29,177,002
Adjustments for:			
Depreciation and amortization		**39,616,990**	38,935,364
Provision for employees' end-of-service benefits		**1,819,637**	1,617,806
Amortisation of advance rentals	15 (c)	**1,234,516**	1,268,790
Share of results from equity accounted associates, net	10	**(3,731,053)**	(4,979,558)
Provision for doubtful debts		**147,061**	109,886
Allowance for slow moving and obsolete inventories		**190,443**	775,580
Provision for asset replacement cost		**1,599,542**	2,659,532
Financial charges		**10,348,196**	8,875,717
Financial income		**(32,043,259)**	-
Provision for decommissioning cost		**20,456**	-
		63,644,246	78,440,119
Changes in operating assets and liabilities			
Trade receivables, prepayments and other receivables		**(15,937,057)**	3,419,645
Inventories		**(746,853)**	495,594
Trade payables accrued and other current liabilities		**17,723,696**	5,501,387
Cash from operating activities		**64,684,032**	87,856,745
Employees' end-of-service benefits paid		**(2,645,233)**	(444,372)
Finance costs paid		**(10,212,390)**	-
Zakat and income tax paid		**(71,773)**	(7,410,051)
Net cash from operating activities		**51,754,636**	80,002,322
INVESTING ACTIVITIES			
Dividends received from equity accounted associates	10	**5,000,463**	2,205,000
Proceeds from disposal of property and equipment		**586,754**	-
Payment to intangible assets		**(40,597)**	-
Purchase of property, plant and equipment		**(47,042,132)**	(7,784,713)
Net cash used in investing activities		**(41,495,512)**	(5,579,713)
FINANCING ACTIVITIES			
Long term loans and bank facilities, net		**875,631**	825,947
Movement in lease liabilities	12	**(6,088,439)**	(2,625,695)
Dividends paid to non-controlling interests by subsidiaries		**(7,828,819)**	(1,680,000)
Net movement in non-controlling interests		**(206,987)**	1,309,724
Net cash used in financing activities		**(13,248,614)**	(2,170,024)
Net (decrease)/increase in cash and cash equivalents		**(2,989,490)**	72,252,585
Cash and cash equivalents at the beginning of the period	13	**295,100,801**	180,584,183
Cash and cash equivalents at the end of the period	13	**292,111,311**	252,836,768

SUPPLEMENTARY NON-CASH INFORMATION

	Note	***31 March 2020 SR***	*31 March 2019 SR*
Transfers from property and equipment to investments property		4,094,341	-
Net modification of right of use assets and lease liability		(180,471,772)	-

The attached notes 1 to 24 form an integral part of these interim condensed consolidated financial statements.

1. ORGANISATION AND ACTIVITIES

Saudi Industrial Services Company ("the Company" or "the Parent Company" or "SISCO") is a joint stock company incorporated in accordance with Saudi Arabian Regulations for Companies under the Ministry of Commerce Resolution No. 223 of 7 Rabi Al Awal 1409 H (corresponding to 18 October 1988) and registered under Commercial Registration No. 4030062502 dated 10 Rabi Al Thani 1409H (corresponding to 20 November 1988) to engage in maintenance, operations and management of factories, industrial facilities, construction of residential buildings and all related facilities such as entertainment centers, malls, restaurants, catering projects, construction of hospitals and buildings to provide health services to factory and industrial company workmen, marketing factory products locally and worldwide, provide services and participate in formation of companies. The principal activity of the Parent Company is investment and management of subsidiaries.

The registered head office of the Parent Company is located at the following address:

Saudi Business Center
P. O. Box 14221,
Jeddah 21424,
Kingdom of Saudi Arabia.

These interim condensed consolidated financial statements include assets, liabilities and the results of the operations of the Parent Company and its following subsidiaries collectively referred to as "the Group":

Company	**Country of incorporation**	**Effective shareholding**		**Principal activities**
		2020	2019	
Saudi Trade and Export Development Company Limited ("Tusdeer")	Saudi Arabia	**76%**	76%	Management and operation of storage and re-export project situated on the land leased from Jeddah Islamic Port.
Kindasa Water Services Company – Closed Joint Stock Company ("Kindasa")	Saudi Arabia	**65%**	65%	Water desalination and treatment plant and sale of water.
Support Services Operation Limited Company ("ISNAD")	Saudi Arabia	**99.28%**	99.28%	Development and operation of industrial zones, construction and operation of restaurants, catering and entertainment centers, construction of gas stations, auto servicing and maintenance workshops, and purchase of land for the construction of building thereon and investing the same through sale or lease.
Red Sea Gateway Terminal Company Limited ("RSGT")	Saudi Arabia	**60.6%**	60.6%	Development, construction, operation and maintenance of container terminals and excavation and back filling works.
Red Sea Port Development Company – Closed Joint Stock Company ("RSPD")	Saudi Arabia	**60.6%**	60.6%	Development, construction, operation and maintenance of container terminals and excavation and back filling works.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 – "Interim Financial Reporting", as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are issued by the Saudi Organization for Certified Public Accountants ("SOCPA").

These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2019.

The preparation of interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments, estimates and assumptions were consistent with the Group's annual consolidated financial statements for the year ended 31 December 2019.

Impact of COVID-19

On 11 March 2020, the World Health Organisation ("WHO") declared the Coronavirus ("COVID-19") outbreak as a pandemic in recognition of its rapid spread across the globe. This outbreak has also affected the GCC region including the Kingdom of Saudi Arabia. Majority of Governments all over the world took steps to contain the spread of the virus. Saudi Arabia in particular has implemented closure of borders, released social distancing guidelines and enforced country wide lockdowns and curfews.

Oil prices have also witnessed significant volatility during the current period, owing not just to demand issues arising from COVID-19 as the world economies go into lockdown, but also supply issues driven by volume which had predated the pandemic. The Group, whose operations are largely concentrated in an economy which is primarily based on oil, the economic impacts of the above events, though the scale and duration of which remains uncertain, primarily include:

- Significant interruption of international businesses and trade as well as travel restrictions and unavailability of personnel etc;
- A significant increase in economic uncertainty, evidenced by more volatile asset prices and currency exchange rates, and a general decline in interest rates globally.
- Transfer/receipt of cash where majority of business are not working at optimum level.

The resultant situation necessitated the Group's management to revisit its significant judgments in applying the Group's accounting policies and the methods of computation and the key sources of estimation applied to the annual consolidated financial statements for the year ended 31 December 2019. Whilst it is challenging now, to predict the full extent and duration of its business and economic impact, management carried out an impact assessment on the overall Group's operations and business aspects including factors like supply chain, travel restrictions, oil prices, product demand, etc. and concluded that, as of the issuance date of these interim condense consolidated financial statements, no significant changes are required to the judgements and key estimates. However, in view of the current uncertainty, any future change in the assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. As the situation is rapidly evolving with future uncertainties, management will continue to assess the impact based on prospective developments.

2.2 Basis of measurement

These interim condensed consolidated financial statements have been prepared under the historical cost basis, except for financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments.

2.3 Functional and presentation currency

These interim condensed consolidated financial statements are presented in Saudi Arabian Riyals ("SR") which is the Group's functional and presentation currency.

3. BASIS OF CONSOLIDATION

These interim condensed consolidated financial statements comprising the financial statements the Company and its subsidiaries as set out in note 1. The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company.

3. BASIS OF CONSOLIDATION (continued)

3.1 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. To meet the definition of control, all of the following three criteria must be met:

i) the Group has power over an entity;
ii) the Group has exposure, or rights, to variable returns from its involvement with the entity; and
iii) the Group has the ability to use its power over the entity to affect the amount of the entity's returns.

The Group re-assesses whether or not it controls an investee in case facts and circumstances indicate that there are changes to one or more of the criteria of control.

Subsidiaries are consolidated from the date on which control commences until the date on which control ceases. The results of subsidiaries acquired or disposed of during the period, if any, are included in the interim condensed consolidated statement of income from the date of the acquisition or up to the date of disposal, as appropriate.

3.2 Non-controlling interests

Non-controlling interests represent the portion of net income and net assets of subsidiaries not owned, directly or indirectly, by the Group in its subsidiaries and are presented separately in the interim condensed consolidated statement of income and within equity in the interim condensed consolidated statement of financial position, separately from the Group's equity. Any losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

3.3 Transactions eliminated on consolidation

Balances between the Group entities, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the interim condensed consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.4 Investment in an associates and jointly controlled entities

The Group's interest in equity-accounted investee comprises interest in a joint venture and investments in associates.

Associates are entities over which the Group exercises significant influence. Investments in associates are initially recognized at cost and subsequently accounted for under the equity method of accounting and are carried in the interim condensed consolidated statement of financial position at the lower of the equity-accounted value or the recoverable amount.

A joint venture is an arrangement in which the Company has joint control whereby the Company has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Equity-accounted value represents the cost plus post-acquisition changes in the Group's share of net assets of the associate (share of the results, reserves and accumulated gains/ (losses) based on the latest available financial information) less impairment, if any.

After application of the equity method, the Group determines whether it is necessary to recognize an additional impairment loss on its investment in its associates. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'share in net income / (loss) of an associate' in the interim condensed consolidated statement of profit or loss.

The previously recognized impairment loss in respect of investment in associate can be reversed through the interim condensed consolidated statement of income, such that the carrying amount of the investment in the interim condensed consolidated statement of financial position remains at the lower of the equity-accounted (before allowance for impairment) or the recoverable amount.

Unrealized gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates.

4 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments and interpretations apply for the first time in year 2020, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Amendments to IFRS 3: Definition of a business

The amendment to IFRS 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. Furthermore, it clarified that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the interim condensed consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IFRS 7, IFRS 9 and IAS 39: Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments does not have any impact on the interim condensed consolidated financial statements of the Group.

Amendments to IAS 1 and IAS 8: Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the interim condensed consolidated financial statements of, nor is there expected to be any future impact to the Group.

Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. These amendments had no impact on the consolidated financial statements of the Group.

5. REVENUES

	Three-month period ended 31 March 2020 Unaudited SR	*Three-month period ended 31 March 2019 Unaudited SR*
Shipping and unloading services	**123,824,888**	124,600,352
Sale of potable water	**24,185,519**	21,613,318
Rentals and support services	**19,281,235**	20,301,134
	167,291,642	166,514,804

6. EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing profit for the period attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares in issue outstanding during the period.

	Three-month period ended 31 March 2020 Unaudited SR	*Three-month period ended 31 March 2019 Unaudited SR*
Profit for the period attributable to ordinary equity holders of the Parent	**26,600,928**	16,899,845
Weighted average number of ordinary shares in issue	**81,600,000**	81,600,000
Basic and diluted earnings per share from the net profit for the period attributable to the shareholders of the Parent	**0.33**	0.21

The diluted EPS is same as the basic EPS as the Group does not have any dilutive instruments.

7. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of the following:

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Property, plant and equipment - port terminal operations	**561,390,066**	530,020,984
Property and equipment	**308,521,173**	315,005,474
Property and equipment of bonded and re-export project	**30,329,453**	29,393,479
	900,240,692	874,419,937

During the three-month period ended 31 March 2020, additions amounting to SR 49.2 million (31 December 2019: SR 52.4 million) were made to the property, plant and equipment.

8. INTANGIBLE ASSETS

Intangible assets comprise of the following:

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Port concession rights (note below)	**1,051,711,069**	1,067,739,776
Other intangible assets	**2,257,875**	2,644,862
	1,053,968,944	1,070,384,638

Port concession rights

Saudi Trade and Export Development Company (Tusdeer), a subsidiary of the Group, had an agreement with Saudi Ports Authority (“SPA” or “MAWANI”) for the construction of a container terminal at the Re-export Zone of Jeddah Islamic Port. This Build-Operate-Transfer (BOT) Service Concession Agreement ("the Agreement") with MAWANI has been novated by Tusdeer to another subsidiary of the Group i.e. RSGT, effective from 22 Shawal 1428 H (corresponding to 3 November 2007), and the duration of this agreement is 32 years. As per BOT agreement, at the end of the concession period, the property and equipment underlying the port concession rights shall be transferred to MAWANI. RSGT commenced its initial commercial operations effective from 22 December 2009 (corresponding to 5 Muharram 1431 H). Port concession rights are being amortised over the useful lives of the underlying assets (representing the property and equipment) or the remaining term of concession, whichever is shorter. All amortization charge for the year has been allocated to direct cost.

The movement in port concession rights is as follows:

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Cost		
Balance at 1 January	**1,710,555,638**	**1,710,555,638**
Disposal	**(2,401,844)**	**-**
	1,708,153,794	**1,710,555,638**
Amortisation		
Balance at 1 January	**642,815,862**	**577,473,248**
Charge for the period / year	**15,968,957**	**65,342,614**
Disposal	**(2,342,094)**	**-**
	656,442,725	**642,815,862**
Net book value	**1,051,711,069**	**1,067,739,776**

9. GOODWILL

The Group recorded a goodwill of SR 9.3 million at the time of acquisition of Kindasa Water Services Company (Kindasa), a subsidiary of the Group. Subsequently, an impairment of SR 0.5 million was recorded resulting in net carrying value of SR 8.8 million (31 December 2019: SR 8.8 million).

The management reviews goodwill for impairment annually and when there is an indicator of impairment. For the purposes of impairment testing, goodwill has been allocated to the subsidiary (i.e. cash generating unit). The recoverable amount of the cash generating unit has been determined based on a value in use calculation, using cash flow projections based on financial budgets approved by the senior management and Board of Directors of Kindasa.

10. INVESTMENTS IN ASSOCIATES

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
As at 1 January	**132,421,768**	121,114,973
Share in results of associates, net	**3,731,053**	27,372,268
Share of actuarial losses of associates recognized in OCI	**-**	(1,796,618)
Dividend received during the year	**(5,000,463)**	(14,268,855)
Closing value	**131,152,358**	132,421,768

10.1 Investment in associates

Associates	*Principal activities*	*Country of incorporation*	*Effective shareholding percentage*		*Carrying amount*	
			31 March 2020 Unaudited	*31 December 2019 Audited*	***31 March 2020 Unaudited SR***	*31 December 2019 Audited SR*
International Water Distribution Company Limited (note a)	Water/waste works, water treatment and lease of water equipment	Kingdom of Saudi Arabia	**50%**	50%	**83,158,687**	81,610,509
Saudi Water and Environmental Services Company (note b)	Electrical, water and mechanical works and related operation and maintenance	Kingdom of Saudi Arabia	**31.85%**	31.85%	**6,653,586**	7,685,124
Saudi Al Jabr Talke Company Limited	Contracting, construction, operation and maintenance of factories and warehouses	Kingdom of Saudi Arabia	**33.3%**	33.3%	**39,582,960**	41,480,770
Xenmet SA, Vaduz (note c)	Trading, storage and brokerage of commodities	Principality of Liechtenstein	**19%**	19%	**1,757,125**	1,645,365
					131,152,358	132,421,768

10. INVESTMENTS IN ASSOCIATES (continued)

a. The Parent Company does not have any direct control over management and operations of "International Water Distribution Company" accordingly, it is classified as associates and accounted for as such.

b. Saudi Water and Environmental Services Company is 49% owned by Kindasa Water Services Company (a subsidiary), which is 65% owned by the Parent Company.

c. Xenmet SA, Vaduz is 25% owned by Saudi Trade and Export Development Company Limited (a subsidiary), which is 76% owned by the Parent Company.

11. FINANCIAL ASSETS AT FVOCI

Financial assets at FVOCI comprise of equity investment in shares of Growth Gate Capital Corporation B.S.C.. As of the statement of financial position date, management believe that the carrying amount of the investment approximate its fair value.

12. RIGHT OF USE ASSETS

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period**:**

	31 March 2020 SR	*31 December 2019 SR*
At the beginning of the year	**256,622,317**	-
IFRS transition adjustments	**-**	230,459,708
Transfer from intangible on the date of application of IFRS 16, net	-	26,162,609
Lease contracts modification (note below)	**(147,857,188)**	-
	108,765,129	256,622,317
Depreciation:		
At the beginning of the year	**(14,797,077)**	
Depreciation for the year	**(2,007,257)**	(8,437,952)
Depreciation for the year (classified in capital work in progress)	**(87,499)**	(6,359,125)
	(16,891,833)	(14,797,077)
As at 31 March 2020	**91,873,296**	241,825,240

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	31 March 2020 SR	*31 December 2019 SR*
At the beginning of the year	**247,016,438**	-
IFRS transition adjustments	**-**	241,835,939
Lease contracts modification (note below)	**(148,283,534)**	-
Interest charge for the year	**437,176**	1,994,535
Unwinding of lease liability (classified in capital work in progress)	**2,074,424**	9,901,143
Payment of lease liabilities during the year	**(6,088,439)**	(6,715,179)
As at 31 March 2020	**95,156,065**	247,016,438

12. RIGHT OF USE ASSETS (continued)

The classification of lease liabilities is as follows

	31 March 2020 SR	*31 December 2019 SR*
Current lease liability	**11,242,153**	29,930,538
Non-current lease liability	**83,913,912**	217,085,900
	95,156,065	247,016,438

During the period, TUSDEER, a subsidiary of the Parent Company, entered into a revised contract with "Jeddah Development and Urban Regeneration Company (JDURC)" with respect to lease of land for construction and development of a logistics park. According to the revised lease agreement, the land area is lower than before with corresponding decrease in annual rental for the current and future years.

13. CASH AND CASH EQUIVALENTS

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Cash in hand	**552,823**	318,714
Cash at banks (note below)	**291,558,488**	259,243,419
Murabaha term deposits	**-**	35,538,668
	292,111,311	295,100,801

Out of the total balances, SR 0.81 million (31 December 2019: SR 0.54 million) we held with a commercial bank in respect of accumulated unclaimed dividends.

14. SHARE CAPITAL

As at 31 March 2020, the authorised and paid up capital of the Group is divided into 81.6 million shares (31 December 2019: 81.6 million shares) of SR 10 each.

On 2 Rajab 1441 (corresponding to 26 February 2020), the Board of Directors of the Company recommended subject to approval of the shareholders, to distribute dividend amounting to SR 48.96 million (SR 0.6 per share). Subsequently on 20 Sha'ban 1441H (corresponding to 13 April 2020), the shareholders of the Company approved the dividend for payment in the Annual General Meeting of the Company.

15. LONG TERM LOANS AND BANK FACILITIES

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Long-term loan	**749,933,422**	781,101,050
Less: current portion	**(69,003,748)**	(240,711,549)
Long-term portion	**680,929,674**	540,389,501

15. LONG TERM LOANS AND BANK FACILITIES (continued)

a. During 2007, RSGT entered into an Ijara arrangement with two local banks to obtain a loan of SR 1,271 million. The Ijara facility is secured by property and equipment – port terminal operations and intangible assets – port concession rights of RSGT (note 6). The remaining amount of loan is repayable in semi-annual installments, with maturity up to December 2023. The loan bears commission rate of SIBOR plus an agreed margin. The facility included unamortised management fees paid at inception to secure the loan, amounting to SAR 17.19 million as on 31 March 2020 (31 December 2019: SAR 18.42 million) and will be amortised over the remaining period of the Ijara facility.

b. During 2016, RSGT entered into an Ijara arrangement with two local banks to obtain a loan of SR 260 million for expansion of its existing berths. The Ijara facility is secured by the property and equipment – port terminal operations of a subsidiary (note 6). The loan carries commission at commercial rates (SIBOR plus an agreed margin) and is repayable in nine installments ending in December 2023.

c. During the current period, RSGT and the two local lending banks mutually agreed to amend the terms of the loan agreements as detailed in a) and b) above. These amendments, among others, modified the applicable rate from six months SIBOR to three months SIBOR, lowered the agreed margin, changed from biannual to quarterly payment and extended the maturity period from year 2023 to 2030. The modifications of the terms were assessed qualitatively and quantitively in accordance with IFRS 9 "Financial Instruments" and as a result concluded as continuation of the previous loan. The modifications has resulted in a day 1 gain of SR 32 million recorded in the interim condensed consolidated statement of income as at the effective date of the modification of the terms of the loans. RSGT continued to hedge the cash flow risk arising from the variability of the cash flows arising from the changes of applicable rates.

As a result of the modifications, the current and non-current portion of the loan as at the period end is as follows:

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Long-term loans	**744,619,310**	775,344,095
Less: current portion	**(67,232,377)**	(238,940,177)
Non-current portion	**677,386,933**	536,403,918

The movement of the loan balance of RSGT is as follows:

	31 March 2020 Unaudited *SR*
Loan balance as on 31 December 2019	**775,344,095**
Add: Amortization of advance rentals	**1,234,516**
Less: Decrease in loan liability on account of modification of the loan arrangement	**(31,959,301)**
Non-current portion	**744,619,310**

15. LONG TERM LOANS AND BANK FACILITIES (continued)

d. During 2016, Kindasa entered into an agreement for a long-term facility with a local bank for SR 24 million to finance the construction of a new water desalination facility. The loan carries commission at commercial rates (SIBOR plus an agreed margin) and is repayable in quarterly instalments commencing one year after the first drawdown. The loan is secured by secondary mortgage over Kindasa's property and equipment. As at 31 December 2019, Kindasa has cumulatively drawn down SR 8.5 million out of total facility of SR 24 million.

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Long-term loan	**5,314,112**	5,756,954
Less: current portion	**(1,771,371)**	(1,771,371)
Long-term portion	**3,542,741**	3,985,583

16. LONG-TERM PROVISIONS

	31 March 2020 Unaudited SR	*31 December 2019 Audited SR*
Provision for asset replacement cost (note a)	**75,165,205**	72,632,517
Provision for dismantling cost (note b)	**1,762,528**	1,742,072
Others	**162,967**	162,967
	77,090,700	74,537,556

a) Provision for asset replacement cost

As per the Build Operate and Transfer (BOT) agreement with MAWANI, RSGT, a subsidiary of the Group has an obligation to replace certain machinery and equipment ("the Equipment") during the tenure of the agreement. The management of the subsidiary has estimated that an amount of SR 434 million (31 December 2019: SR 479 million) will be incurred to replace the equipment. Above balance represent the discounted value of the asset replacement provision as at 31 March 2020, using an appropriate discount rate.

b) Provision for dismantling cost

It represents cost to remove the plant pertaining to Kindasa, a subsidiary from land leased by MAWANI for a period of 17 years.

17. ZAKAT AND INCOME TAX

Parent Company

The General Authority for Zakat and Tax (GAZT) raised assessments for the years 2002 through 2008 with an additional liability of SR 25.8 million. The Parent Company had filed an objection against the GAZT's assessment. The Higher Appeal Committee issued their decision during the year. Following the issuance of the decision, the GAZT raised a revised assessment amounting to SR 9.5 million. The assessment does not take into consideration SR 3.9 million paid "under protest" at the time of filing an appeal with Higher Appeal Committee (HAC). The Company has filed an appeal against the decision issued by the HAC with the Board of Grievances (BOG).

In addition, the Parent Company has also requested the GAZT to reconsider their revised assessment. The BOG has recently issued their decision by rejecting to review the appeal filed by the Company. The company is in process of filing an appeal to second level of BOG, the BOG have dismissed this case from a procedural perspective without considering the merits thereof, in response the entity filed an appeal against the BOG's decision with the Supreme Court. Furthermore, the case was also escalated to the General Secretariat of Tax Committees (GSTC) in line with the latest regulations in this regard.

The GAZT raised assessments for the years 2009 through 2013 with an additional Zakat and withholding tax liability of SR 10.95 million. The Company accepted and paid the imposition of Zakat amounting to SR 0.016 million. An appeal against the remaining amount was filed by the Company with the GAZT. The Preliminary Appeal Committee (PAC) issued their decision reducing the liability to SR 7.1 million. The Company has filed an appeal with the Higher Appeal Committee (HAC) and submitted a bank guarantee of SR 7.1 million, based on their understanding of the PAC decision. Following the change in regulation the cases for 2009 - 2013 were also transferred to the GSTC. The GAZT raised assessments for the years 2014 and 2015 with an additional liability of SR 0.69 million. The Parent Company has filed an appeal against the GAZT's assessments. The GAZT has issued a revised assessment with reduced liability of SR 0.52 million. An appeal against the remaining amount was filed by the Company with the GSTC. Hearing dates for each of the cases transferred to the GSTC are yet to be assigned.

Parent Company

The Parent Company has filed its Zakat returns for the years up to 31 December 2018. Up to the date of these interim condensed consolidated financial statements, GAZT is yet to raise the assessment for the years 2016, 2017 and 2018.The Parent Company is yet to file its return for the year 2019.

Subsidiaries

Red Sea Gateway Terminal Company Limited and Red Sea Ports Development Company ("the Subsidiaries")

RSGT has finalized its Zakat and income tax assessments with GAZT up to 2013 and has filed its Zakat and income tax returns up to the year 2018. GAZT is yet to raise the assessment for the years from 2014 to 2018. RSGT is yet to file its return for the year 2019.

RSPD has filed its Zakat and income tax returns up to the year 2018. Up to the date of these interim condensed consolidated financial statements, GAZT is yet to raise assessments. RSPD is yet to file its return for the year 2019.

Saudi Trade and Export Development Company Limited ("the Subsidiary")

The Subsidiary has finalized its Zakat assessments with GAZT up to 2008 and has filed its Zakat returns up to 2018. Upto the date of these interim condensed consolidated financial statements, GAZT is yet to raise the assessment for the years from 31 December 2009 to 31 December 2018.The Subsidiary is yet to file its return for the year 2019.

Support Services Operation Company Limited ("the Subsidiary")

The Subsidiary has finalized its Zakat assessments with GAZT up to 2008 and has filed its Zakat returns up to 2018. GAZT has not raised the assessment for the years from 31 December 2009 to 31 December 2018. The Subsidiary is yet to file its return for the year 2019.

Kindasa Water Service Company ("the Subsidiary")

The Subsidiary has finalized its Zakat assessments with GAZT up to 2008 and has filed its Zakat returns up to 2018. Upto the date of these interim condensed consolidated financial statements, GAZT is yet to raise the assessment for the years from 31 December 2009 to 31 December 2018. The Subsidiary is yet to file its return for the year 2019.

18. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent the shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management.

a) Significant related party transactions for the period ended 31 March are as follows:

Related party	***Relationship***	***Description***	***Amount of transaction***			
			Three month period ended		***Balance as at***	
			31 March 2020 Unaudited SR	*31 March 2019 Unaudited SR*	***31 March 2020 Unaudited SR***	*31 December 2019 Audited SR*
International Water Distribution Company	Associate	Sales of goods and services	**15,740,469**	15,289,648	**10,329,842**	10,376,904
		Services rendered to associate	**173,250**	173,250	**74,435**	-
		Expenses incurred by associate on behalf of the Group	**(10,088)**	(10,085)	-	-
		Expenses incurred by Group on behalf of the associate	**38,307**	77,646	-	-
Arabian Bulk Trade Limited	Affiliate	Lease of land and warehouses	**-**	7,110	**3,938**	5,237
Al Jabr Talke Company Limited	Associate	Services rendered to associate	**141,009**	118,035	**141,009**	10,420
		Expenses incurred by Group on behalf of associate	**-**	-	**11,638**	-
		Dividend received from associate	**5,000,463**	-	-	-
Saudi Water and Environmental Services Company Limited	Associate	Sales of goods and services	**1,442,463**	906,234	**1,347,080**	309,637
Saudi Cable Company Limited	Affiliate	Lease of land and warehouses	**-**	14,483	**9,132**	210,035

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

Related party	*Relationship*	*Description*	***Amount of transaction***		***Balance as at***	
			Three month period ended			
			31 March 2020 Unaudited SR	*31 March 2019 Unaudited SR*	***31 March 2020 Unaudited SR***	*31 December 2019 Audited SR*
Aecom Arabia Limited	Affiliate	Payments made by the Group on behalf of affiliate	**-**	-	**64,226**	64,226
Xenel Industries Limited	Shareholder	Payments made by the Group on behalf of the Shareholder	**75,957**	15,300	**-**	-
		Expenses incurred by the shareholder on behalf of the Group	**(16,495)**	(20,869)	**268,043**	208,582
Haji Abdullah Ali Reza & Co. Limited	Affiliate	Advance payment made for network related works	**535,788**		**535,788**	-
Total					**12,785,131**	11,185,041

Due to related parties

Related party	*Relationship*	*Description*	***Amount of transaction***		***Balance as at***	
			31 March 2020 SR	*31 March 2019 SR*	***31 March 2020 SR***	*31 December 2019 SR*
Al Karam Fedics Services Company	Affiliate	Purchase of goods and services	**3,690,141**	2,215,168	**1,229,750**	980,418
Ambro limited	Affiliate	Purchase of services	**13,556**		**13,556**	-
Total					**1,243,306**	980,418

18. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Key management personnel remuneration and compensation comprised of the following:

	Three month period ended 31 March 2020	*Three month period ended 31 March 2019*
	Unaudited	*Unaudited*
	SR	*SR*
Short term employee benefits	**4,419,125**	2,713,016
Post-employment benefits	**113,865**	109,570
	4,532,990	2,822,586

Short term employee benefits of the Group's key management personnel include salaries and bonuses.

c) Board of Directors / Committee members remuneration and compensation comprised of the following:

	Three month period ended 31 March 2020	*Three month period ended 31 March 2019*
	Unaudited	*Unaudited*
	SR	*SR*
Meeting attendance fees	**120,000**	120,000
Other remuneration	**-**	1,500,000
	120,000	1,620,000

19. COMMITMENTS AND CONTINGENCIES

At 31 March 2020, the Group's bankers have issued letters of guarantee amounting to SR 155.9 million (31 December 2019: SR 67.1 million) against which cash margin of SR 2.6 million (31 December 2019: SR 2.25 million) was deposited.

As at 31 March 2020, the Group has commitments for capital work in progress amounting to SR 120.4 million (31 December 2019: SR 141.7 million) mainly relating to new logistic hub and park construction project and new desalination plant construction and development project.

20. BUSINESS SEGMENTS

The Group has the following main business segments:

- Port development and operations
- Water desalination and distribution
- Logistic parks and support services
- Corporate office: Consists of investment activities and head office functions.

These business segments are located within the Kingdom of Saudi Arabia and are the Group's strategic business units.

20. BUSINESS SEGMENTS (continued)

The Group's top management reviews internal management reports of each strategic business unit at least quarterly. Segment results that are reported to the top management include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

	Reportable segments					
	Port development and Operations	***Logistic parks and support Services***	***Water desalination and distribution***	***Total***	***Unallocated***	***Total***
	SR 000'(Unaudited					
31 March 2020						
External revenues	123,825	19,281	24,418	167,524	-	167,524
Inter segment revenue	-	-	(232)	(232)	-	(232)
Segment revenue	**123,825**	**19,281**	**24,186**	**167,292**	-	**167,292**
Cost of revenue	(85,285)	(11,787)	(17,280)	(114,352)	-	(114,352)
Inter-segment cost of revenue	232	-	-	232	-	232
Segment cost	**(85,053)**	**(11,787)**	**(17,280)**	**(114,120)**	-	**(114,120)**
Segment gross profit	38,772	7,494	6,906	53,172	-	53,172
Profit attributable to shareholders of the Parent Company	24,113	3,445	1,553	29,111	(2,510)	26,601
31 March 2020						
Segment assets	1,885,343	406,959	236,877	2,529,179	250,106	2,779,286
Segment liabilities	994,215	104,854	32,272	1,131,340	28,601	1,159,941

20. BUSINESS SEGMENTS (continued)

	Reportable segments					
	Port development and Operations	*Logistic parks and support Services*	*Water desalination and distribution*	*Total*	*Unallocated*	*Total*
	--------------------------	-----------------	*SR 000'(Unaudited*	----------------	-----------------	--------------------
31 March 2019						
External revenues	124,654	20,301	21,839	166,794	-	166,794
Inter segment revenue	(53)	-	(226)	(279)	-	(279)
Segment revenue	124,601	20,301	21,613	166,515	-	166,515
Cost of revenue	(68,999)	(9,442)	(15,682)	(94,123)	-	(94,123)
Inter-segment cost of revenue	226	53	-	279	-	279
Segment cost	(68,773)	(9,389)	(15,682)	(93,844)	-	(93,844)
Segment gross profit	55,828	10,912	5,931	72,671	-	72,671
Profit attributable to shareholders of the Parent Company	12,775	3,254	657	16,686	214	16,900
31 March 2019						
Segment assets	1,907,793	388,417	228,732	2,524,942	259,820	2,784,762
Segment liabilities	1,052,146	80,360	32,615	1,165,121	27,521	1,192,642

21. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction takes place either:

- In the accessible principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous accessible market for the asset or liability
- Fair value information of the Group's financial instruments is analysed below:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: quoted prices in active markets for the same or identical instrument that an entity can access at the measurement date;

Level 2: quoted prices inactive markets for similar assets and liabilities or valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

21. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

The following table shows the carrying amount and fair values of the financial assets and financial liabilities, including their levels and fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

31 March 2020	***Carrying value SR***	***Level 3 SR***
FINANCIAL ASSETS		
Amortised cost		
Trade receivables and other receivables	**78,797,810**	**-**
Due from related parties	**12,785,131**	**-**
Cash and cash equivalents	**292,111,311**	**-**
FVOCI		
Investment in equity securities	**15,538,283**	**15,538,283**
	399,232,535	**15,538,283**
FINANCIAL LIABILITIES		
Loans and bank facility	**749,933,422**	**-**
Trade payables and other liabilities	**164,339,107**	**-**
Due to related parties	**1,243,306**	**-**
Derivative financial instrument	**18,888,522**	**18,888,522**
	934,404,357	**18,888,522**

31 December 2019	*Carrying value SR*	*Level 3 SR*
FINANCIAL ASSETS		
Amortised cost		
Trade receivables and other receivables	71,298,525	-
Due from related parties	11,185,041	-
Cash and cash equivalents	295,100,801	-
FVOCI		
Investment in equity securities	15,538,283	15,538,283
	393,122,650	15,538,283
FINANCIAL LIABILITIES		
Loans and bank facility	781,101,050	-
Trade payables and other liabilities	140,943,097	-
Due to related parties	980,418	-
Derivative financial instrument	13,103,655	13,103,655
	936,128,220	13,103,655

22. FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENT

Fair value of quoted investments is based on price quoted on the reporting date. Level 3 financial assets comprise investment in unquoted Company.

There were no transfers between level 1 and level 3 during the three-month period 31 March 2020 (31 December 2019: nil). There were no financial assets or financial liabilities classified under level 2.

There were no changes in valuation techniques during the period.

The fair values of the financial instruments carried at amortized cost is approximates their fair value. The Group's management determines the policies and procedures for both recurring fair value measurement and for non-recurring measurement.

23. SUBSEQUENT EVENT

A subsidiary of the Group, RSGT, signed a new concession agreement with MAWANI dated 23 December 2019 (the new agreement). According to the terms, the new agreement became effective once all the Conditions Precedence (CPs) have been met/waived/delayed by the Company/MAWANI and Effective Date Certificate is mutually signed by the parties. Subsequent to the statement of financial position date, the Effective Date Certificate was signed on 1 April 2020 confirming all CPs have been met. This being non-adjusting event, these interim condensed consolidated financial statements do not reflect the accounting implications of the terms of the new agreement.

As at 1 April 2020, as a result of the application of the new agreement below is a summary of the estimated impact on the Group's amounts reported in the statement of financial position:

a) Reclassification of certain items of property, plant and equipment to intangible assets amounting to SR 489.2 million at their respective carrying amounts.

b) Recognition of the present value of the fees payable to MAWANI over the term of the concession agreement, being the fair value of the intangible asset under the guidance of *IFRIC 12 'Service Concession Arrangements'*, with corresponding credit to financial liability.

c) Reversal of provision for asset replacement, being no longer required as no such obligation exists under the new agreement with MAWANI.

24. APPROVAL OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

These interim condensed consolidated financial statements were approved and authorised to issue by the Board of Directors on 6 May 2020 (corresponding to 13 Ramadan 1441H).